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**CROATIA**

## ACTIVITY OVERVIEW

# Agribusiness (RIEDA)

**The Raising Incomes in Economically Distressed Areas (RIEDA) program, will create 2000 sustainable jobs in Croatia's disadvantaged areas.**



Development Alternatives Incorporated

*USAID is providing assistance to sheep and goat farmers who primarily live in economically disadvantaged areas of Croatia. Technical training and information is helping to improve production. Assistance to small and medium size dairy processors is helping to expand the market for milk from sheep and goats as well as dairy cows. With USAID assistance, 24 of these processors established a new association representing the primary market for more than 3,600 small farmers in Croatia.*

**Implementer:** Development Alternatives Inc. (DAI)

**Partners:** Emerging commercial and non-commercial farmers, cooperatives, farmer associations, traders, processors; Ministry of Agriculture, Forestry and Water Management; Ministry of Economy, Labor and Entrepreneurship; Association of Cooperatives; municipality and regional authorities; agricultural and micro-finance institutions

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For thousands of residents in Croatia's rural areas employment is their number one concern. In most of these areas agriculture and value-added agriculture "processing" activities are sources of income. Yet, the small size of landholdings in most areas, lack of capital assets and the need for basic information, management and agricultural production skills, pose constraints to growth of this sector.

USAID's Raising Incomes in Economically Distressed Areas (RIEDA) has a single objective: increased and sustainable agriculture employment and incomes in disadvantaged areas. The project works directly with farmers or farm associations to improve operations, raise quality, and increase processing capacity to create valuable new jobs.

The RIEDA project also works hand in hand with USAID's Agribusiness Competitiveness Enhancement (ACE) project by helping small "subsistence level" producers expand production to that of a commercial or emerging commercial farmer. This additional production is being marketed through domestic linkages among producer organizations, processors, distributors, wholesalers and retail organizations identified and supported by the ACE project.

RIEDA, in collaboration with ACE, provides assistance to more than 50 partners representing nearly 3000 family farms in economically disadvantaged areas of Croatia.

**Results** As of March 2006, 835 new jobs have been created with USAID assistance.

Work with small and medium size dairy processors and the farmers that supply them is a major success story. Starting with two processors in 2004, USAID is now providing direct assistance to six processors and recently assisted in the formation of a new association of milk processors. The association brings together 24 processors who employ 388 people and purchase nearly 40 million liters of milk from more than 3,600 small dairy farmers.

In addition to dairy farmers, USAID is also providing training and other technical assistance to producers of honey, olives, vegetables, fruits and swine. This assistance has already helped 558 producers in economically disadvantaged areas of Croatia become sustainable farmers.

USAID assistance to processors of milk and many other farm products has already created 277 new jobs in this sector.